NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

†h (No Surface Use) day of (110115) LISE NOW E. 191 THIS LEASE AGREEMENT is made this Hanjad whose addresss is as Lessor. and DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises: ACRES OF LAND, MORE OR LESS, BEING LOT(S) BLOCK TOFTHE GICACIOST ADDITION, AN ADDITION TO THE CITY OF TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED 175 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS. **VOLUME** PAGE in the County of Tarrant, State of TEXAS, containing \_\_s \_\_\_\_\_\_\_ gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription of otherwise), for the purpose of exploring for, developing, producing and markoting oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/soismic operations). The lerm "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

otherwise maintained in effect pursuant to the provisions hereof.

3. Royallies on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be The Provision facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be production, severance, or other exciso taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on such price then provailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on more wells on the leased premises or lands pooled therewith are capable of either producting oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production while the well or wells are shut-in or production. Lessee's failure to properly pay shut-in royalty shall be due until the end of th

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in <u>at fessor's address above</u> or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fall or refuse to accept payment hereunder, Lessor shall, at Lessoe's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewills or if all production (whether or not in paying quantities) permanently coases from any cause, including a revision of unit boundaries

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the lessed premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently coases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is thon engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill

to (a) devolop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other hands or pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit tomed by such pooling for an oil well with is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" means a well with an initial gas-oil ratio of fees than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of fees than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of fees than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of fees than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of fees than 100,000 cubic feet per barrel, based on 24-hour production of means a

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises

such part of the leased premises.

3. The interest of other Lease or or Lease of hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Leaser's ownership shall have the effect of reducing the rights or enlarging the obligations of Lease hereunder, and no change in ownership shall be binding on Lease until 60 days after Lease has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lease or until Leaser has satisfied the notification requirements contained in Leasee's usual form of division order. In the event of the death of any person entitled to shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Leasee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Leasee transfers its interest hereunder in whole or in part Leasee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to additional interest in all or any portion of the area covered by this lease. The obligation is easy or tender shut-in royalties becomed in the feet by each. pay or lender shull-in mysilias hereunder shall be divided between Lassee and the transferce in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to besser or file of record a written release of this lease as to a full or undivided interest in all or any portion of

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in loss than all of the area covered hereby. Lessee's obligation to pay or tender shut-in reyalide shall be proportionately reduced

If Lessee releases all or an undivided interest in less than all of the area covered hereby. Lessee's obligation to pay or tender shut-in revalues shall be proportionately reduced in accordance with the net accreage interest retained becomes.

10. In exploring for, developing, producing and marketing oit, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of reads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities decined necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oit, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or pands. In exploring, developing, producing or marketing from the leased promises or fands pooled therewith, the anciliary rights granted herelo shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial intermination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessee shall bury its pipelines below orthory plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn row on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessoe shall pay for damage caused by its operations to buildings and other improvements

other lands in which Lessor now or hareafter has authority to grait such rights in the vicinity of the leased promises or lands pooled therewitt. When requested by Lessor willing, Lessor shall have the right at any time to promise or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased primates or such other lands, and to commercial thinter and growing supprishereou. Lessee shall have the right at any time to romove its fokures, equipment and materials, including well casher, from the leased premises or such other lands during the term of this lesses or within a crossnoshie time thereafter.

11. Lessee's obligations under this lease, whether express or hiplied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered horeby. When drilling, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fice, floor, adverse weather conditions, war, sabolage, rebellion, insurrection, riot, stitle or labor disputes, or by hability to obtain a satisfactory market for production or fainter of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lessee shell not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the torm hereof.

12. In the event that Lessor, during the primary term of this lease, neceivas a bone tide offer which Lessor is willing to approximate from the particular of any express or implied coverants of this lease and covering any or all of the substances covered by line lease on governmen

other benefit. Such subsurface well bore essenions shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessoe hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reinhourse liself out of any royalfles or shut or royalfles otherwise payeble to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessoe may suspend the payment of royaltles and shut-in royalties horeunder, without interest, until Lessoe has been turnlahed satisfactory evidence that such claim has been resolved.

10. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for diffing or other operations.

11. This lease was the agreement as existent and adversarial and the contrary in this lease, Lessee shall not have any rights only a resoluted and agrees to diffing or other this lease the surface of the leased premises for diffing or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Leasor acknowledges that oil and gas lease payments, in the form of rental, horse and royally, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good falth negotiations. Leasor understands that these lease payments and terms are final and that Leasor entered into this fease without duress or under influence. Leasor recognizes that lease values could go up or down depending on market conditions. Leasor acknowledges that no representations or assurances were made in the negotiation of this lease that Leasor would get the highest price or different terms depanding on fature market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's holis, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Leason

LESSOR (WHETHER ONE OR MORE) Y hand & Al Habitary \* Vickie At Harriad ACKNOWLEDGMENT STATE OF TEXAS

COUNTY OF TRACKS

This instrument was acknowledged before me on the by: VICKIG ALHADOGO CINAL SYZISE 1) 14 day of ALGUST. Notary Public, State of Tever 5
Notary's name (printed):
Notary's commission expires: **ALEXANDER DAVIS** Notary Public, State of Texas My Commission Expires May 16, 2012 STATE OF COUNTY OF This instrument was acknowledged before me on the \_\_\_\_\_\_ day of

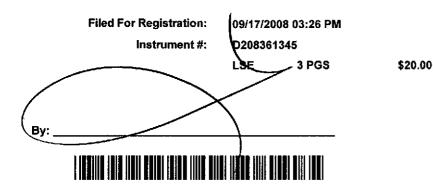


DALE PROPERTY SERVICES LLC ATTN: ANN VANDENBERG 2100 ROSS AVE, STE 1870, LB-9 DALLAS TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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